

SYDNEY COMMUNITY COLLEGE LTD

ABN 53 136 500 313

FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2018

SYDNEY COMMUNITY COLLEGE LIMITED
FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2018

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Directors' Report

SYDNEY COMMUNITY COLLEGE LIMITED

Financial Report for 6 months – January to June 2018.

The directors present this report on the Company for the 6 months audited accounts from January to June 2018.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

- Roger Morris
- Jenifer O'Connor
- Garry Traynor
- Anita Morgana
- Andrew Gonczi
- Joanna Maxwell
- Sara Pantzer (Dec 2017)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the company during the course of the year were Community College operation.

SHORT-TERM AND LONG-TERM OBJECTIVES

The entity's short-term objectives are:

- To offer innovative continuing adult education programmes that support individual efforts and facilitate sustainable social change.

The entity's long-term objectives are:

- To be a self-sustaining not-for-profit social enterprise with a focus on innovative short courses and life changing training experiences for adults.

STRATEGIES

- The planning, promotion and delivery of innovative short courses
- The successful delivery of funded training.

KEY PERFORMANCE MEASURES

- Average class sizes above 8
- Delivery of 1200 plus classes per year
- Successful tenders for the provision of training awarded.

MEETINGS OF DIRECTORS

During the period from January to June 2018 2 meetings of directors were held. Attendances by each director were:

	ELIGIBLE TO ATTEND	ATTENDED
Roger Morris	2	2
Jenifer OConnor	2	1
Garry Traynor	2	2
Anita Morgana	2	2
Andrew Gonczi	2	2
Joanna Maxwell	2	1
Sara Pantzer	2	2

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$70 (2015 \$70).

AUDITORS INDEPENDENCE DECLARATION

The auditors' independence declaration for the period ended 30 June 2018 has been received and enclosed.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Garry John Traynor
Director

~~Andrew Gonczi~~
Director

Anita Morgana

Dated 12/9/2018

19 Sept 2018

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 June 2018

	NOTE	2018 (1 Jan -30 Jun 2018) \$	2017 (1 Jan - 31 Dec 2017) \$
Revenue from ordinary activities	2	1,623,106	2,922,816
Expenses			
Course expenses		(263,540)	(473,075)
Employee expenses		(918,765)	(1,898,837)
Depreciation and amortization expenses	4	(73,245)	(177,803)
Borrowing costs expenses		-	-
Other expenses from ordinary activities		<u>(264,322)</u>	<u>(398,235)</u>
Surplus before income tax expense		103,233	(25,134)
Income Tax Expense	5	<u>-</u>	<u>-</u>
Surplus after income tax expense for the year attributable to the members		<u>103,233</u>	<u>(25,134)</u>
Other comprehensive income for the year, net of tax:			
	3	<u>-</u>	<u>163,042</u>
Total comprehensive income for the year attributable to the members	13	<u>103,233</u>	<u>137,908</u>

The accompanying notes form part of these financial statements. These financial statements have been subject to audit and should be read in conjunction with the attached Auditor's Report

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	NOTE	2018 (1 Jan - 30 Jun 2018) \$	2017 (1 Jan - 31 Dec 2017) \$
Assets			
Current Assets			
Cash	6	449,050	436,783
Accounts Receivable	7	-	-
Other Current Assets	8	50,204	10,325
Total Current Assets		<u>499,254</u>	<u>447,108</u>
Non-current Assets			
Fixed Assets		86,264	93,138
Leasehold Improvements		303,911	364,694
Intangible Assets		42,115	42,115
Total Non-Current Assets	9	<u>432,290</u>	<u>499,947</u>
Total Assets		<u><u>931,544</u></u>	<u><u>947,055</u></u>
Liabilities			
Current Liabilities			
Current Payables	10	316,305	440,062
Taxation Clearing	11	15,484	15,249
Provision for Employee Entitlements - current	12	51,601	58,763
Total Current Liabilities		<u>383,390</u>	<u>514,074</u>
Non-current Liabilities			
Provision for Employee Entitlements - non current		139,076	119,439
Other Non-Current Liabilities		61,248	68,944
Total Non-current Liabilities		<u>200,324</u>	<u>188,383</u>
Total Liabilities		<u><u>583,714</u></u>	<u><u>702,457</u></u>
Net Assets		<u><u>347,830</u></u>	<u><u>244,598</u></u>
Equity			
Retained Profit		244,598	106,690
Current Surplus/(Deficit)		103,232	137,908
Total Equity	13	<u><u>347,830</u></u>	<u><u>244,598</u></u>

The accompanying notes form part of these financial statements. These financial statements have been subject to audit and should be read in conjunction with the attached Auditor's Report.

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2018

	NOTE	2018 (1 Jan - 30 Jun 2018) \$	2017 (1 Jan - 31 Dec 2017) \$
Cash Flow from Operating Activities			
Student Fees		1,506,549	2,468,477
Government Funded Programs		251,359	642,948
Interest Received		385	834
Other Income		1,949	38,461
Payments to suppliers and employees		(1,726,436)	(3,030,445)
Net Cash provided by operating activities	14 (b)	<u>33,806</u>	<u>120,275</u>
Cash Flow from investing activities			
Fixed Asset purchases		(5,030)	(18,384)
Sale of Fixed Assets		-	396,697
Net cash provided (used) by investing activities		<u>(5,030)</u>	<u>378,313</u>
Cash Flow from financing activities		(15,392)	(15,392)
Net cash from financing activities		<u>(15,392)</u>	<u>(15,392)</u>
Net increase/(decrease) in Cash Held		13,383	483,196
Cash at the beginning of the financial year		436,782	(46,414)
Cash at the end of the financial year		<u>449,050</u>	<u>436,782</u>

The accompanying notes form part of these financial statements. These financial statements have been subject to audit and should be read in conjunction with the attached Auditor's Report

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2018

	NOTE	Retained Surpluses \$	Total Equity \$
Balance at 1 January 2017		106,690	106,690
Deficit after income tax expense for the year		(25,134)	(25,134)
Other comprehensive income for the year, net of tax		163,042	163,042
Total comprehensive income for the year		137,908	137,908
Balance at 31 December 2017	13	<u>244,598</u>	<u>244,598</u>
Balance at 1 January 2018		244,598	244,598
Adjustment to the opening balance		-	-
Deficit after income tax expense for the year		103,233	103,233
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>103,233</u>	<u>103,233</u>
Balance at 30 June 2018	13	<u>347,830</u>	<u>347,830</u>

The accompanying notes form part of these financial statements. These financial statements have been subject to audit and should be read in conjunction with the attached Auditor's Report

SYDNEY COMMUNITY COLLEGE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2018

The financial statements are for Sydney Community College Ltd as an individual entity incorporated and domiciled in Australia. Sydney Community College Ltd is a company limited by guarantee.

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Boards and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Income Tax

Sydney Community College is a public educational institution providing learning activities and educational needs in the local community and therefore is exempt from paying income tax under Division 50 of the Income Tax Assessment Act 1997.

b) Goods and Services Tax (GST)

Revenue, expenses and assets are recognized net of amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

c) Employee Entitlements

The amounts expected to be paid to employees for pro-rata entitlements for annual leave and long service leave are accrued annually at current pay rates and included under salaries and wages.

d) Cash

For the purposes of the Statement of Cash Flow, cash includes cash on hand, at bank and on deposit.

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

- Rendering of services

Where contracts can be reliably measured, control of a right to be compensated for services has been attained.

- Interest

Recognised as interest is paid.

- Government Funded Programs

Revenue is recognised when control of the contribution or right to receive the contribution is obtained. For capital grant, it is recognised when the capital asset is ready for use.

f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

- Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If such an indication exists and where the carrying value exceeds the recoverable amount the asset is written down to the recoverable amount.

- Depreciation

Depreciation is provided for on a Prime Cost basis against all depreciable assets at the following rates. The leasehold improvements are amortised over the term of the lease or managements' expected length of the future lease.

Computer Equipment	25%
Office Furniture and Equipment	20 - 27%
Motor Vehicles	12.50%
Leasehold Improvements	10-20%

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

g) Board Members Emoluments

Board members receive no fees for attending meetings and are not paid any other remuneration or benefits.

h) Financial Instruments

Recognition

Financial instruments are initially recognised at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. Subsequent to initial recognition these instruments are measured as set out below:

Loan and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have mixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Income Statement

i) Lease

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

j) Going Concern Basis of Accounting

The financial statements have been prepared on a going concern basis, which assume the company will be able to pay its debts as and when they become due and payable.

As at 30 June 2018, the current ratio is 1.3:1

k) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

As at 30 June 2018, the directors have performed a directors' valuation on the non-current assets. The main non-current assets in the company are the leasehold improvements. As the amortisation terms are comparably short at 5-10 years, the directors believe the carrying value of the non-current assets reflects the fair value less cost to sell at 30 June 2018.

l) Change of the Financial Reporting Period

The directors have resolved to change the year end to 30 June, starting from 1 January 2018. The reason for the change is that the College receives the government funds for the funded programs on a financial year basis. The change will be in consistence with the funding period from the government.

Since this is the first year adopting the change of the reporting period, the comparative amounts in this report (being the full year ended 31 Decemember 2017) are not entirely comparable.

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

NOTE	2018 (1 Jan - 30 Jun 2018) \$	2017 (1 Jan - 31 Dec 2017) \$
2 REVENUE		
Operating activities		
- course fees	1,369,590	2,244,070
- government funded programs	251,359	642,948
- other income	1,772	34,964
	<u>1,622,721</u>	<u>2,921,982</u>
Non-operating activities		
- interest received	385	834
- profit on sale of fixed asset	-	-
- administration fees	-	-
	<u>385</u>	<u>834</u>
TOTAL REVENUE	<u>1,623,106</u>	<u>2,922,816</u>
3 OTHER REVENUE		
Profit on sale of asset	-	163,042
	<u>-</u>	<u>163,042</u>
4 PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expenses has been determined after:		
(a) Expenses		
Depreciation of property, plant and equipment	12,462	24,243
Amortisation of leasehold improvements	60,783	153,560
	<u>73,245</u>	<u>177,803</u>
Remuneration of auditors		
- audit or review services	8,540	8,127
- other services	-	-
Total Remuneration	<u>8,540</u>	<u>8,127</u>
5 INCOME TAX EXPENSES		
Exempted from paying income tax. Refer to Note 1 a).		
6 CASH		
Cash on Hand	334	143
Cash at Bank	448,716	436,640
	<u>449,050</u>	<u>436,783</u>

The College has a continuing unsecured loan facility up to a maximum of \$170,000 with the Commonwealth Bank of Australia.

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

NOTE	2018	2017
	(1 Jan - 30 Jun 2018)	(1 Jan - 31 Dec 2017)
	\$	\$
7 RECEIVABLES		
Trade Debtors	-	-
8 OTHER ASSETS		
- prepayments	50,204	10,325
- security deposits	-	-
- CC Disputed Transactions	-	-
	<u>50,204</u>	<u>10,325</u>
9 NON-CURRENT ASSETS		
- Office and Classroom furniture and equipment	472,953	467,365
- Less accumulated depreciation	<u>(442,922)</u>	<u>(434,468)</u>
	30,031	32,897
- Computer Equipment	36,633	36,633
- Less accumulated depreciation	<u>(36,633)</u>	<u>(36,633)</u>
	-	-
- Motor Vehicle	68,257	68,257
- Less accumulated depreciation	<u>(12,025)</u>	<u>(8,017)</u>
	56,233	60,240
- Leasehold improvements - Rozelle Campus (ITEC)	1,215,662	1,215,662
- Less accumulated amortisation	<u>(911,751)</u>	<u>(850,968)</u>
	303,911	364,694
- Leasehold improvements - Rozelle Campus	355,373	355,373
- Less accumulated amortisation	<u>(355,373)</u>	<u>(355,373)</u>
	-	-
- Leasehold improvements - Tennis Centre	610,896	610,896
- Less accumulated amortisation	<u>(610,896)</u>	<u>(610,896)</u>
	-	-
Trademark	42,115	42,115
Total non-current assets	<u>432,290</u>	<u>499,946</u>
10 PAYABLES		
CURRENT		
- Trade creditors and other accruals	74,244	39,811
- Deferred Grant	-	150,427
- Fees paid in advance	215,554	211,366
- Wages Payables	<u>(2,393)</u>	-
- Superannuation Payables	28,899	38,458
	<u>316,305</u>	<u>440,062</u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

NOTE	2018 (1 Jan - 30 Jun 2018) \$	2017 (1 Jan - 31 Dec 2017) \$
11 TAX LIABILITIES		
- GST	18,626	3,092
- Withholding tax	(3,142)	17,739
- FBT instalment	2,714	2,791
FBT payable	(2,714)	(8,373)
	<u>15,484</u>	<u>15,249</u>
12 PROVISIONS		
CURRENT		
- Provision for annual leave	51,601	58,763
- Provision for long service leave	-	-
	<u>51,601</u>	<u>58,763</u>
NON-CURRENT		
- Provision for annual leave	-	-
- Provision for long service leave	139,076	119,439
	<u>139,076</u>	<u>119,439</u>
Number of permanent employees at year end	<u>20</u>	<u>20</u>
13 RETAINED PROFITS		
- Retained profits at the beginning of financial year	244,598	106,690
- Adjustment to the opening balance		
- net profit attributable to the company	103,232	137,908
- Retained profits at the end of the financial year	<u>347,830</u>	<u>244,598</u>
14 CASH FLOW INFORMATION		
a) Reconciliation of Cash		
Cash on Hand	334	143
Cash at Bank	448,716	436,640
	<u>449,050</u>	<u>436,783</u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

	2018 (1 Jan - 30 Jun 2018) \$	2017 (1 Jan - 31 Dec 2017) \$
14 CASH FLOW INFORMATION		
b) Reconciliation of cash provided by operating activities:-		
Operating profit/(deficit)	103,233	(25,134)
Add back non-cash items in operating activity		
Depreciation	73,245	177,803
Interest from HP payments	4,048	
	<u>180,526</u>	<u>152,669</u>
Changes in assets and liabilities:		
Decrease/Increase in prepayments	(39,878)	5,704
Increase/Decrease in Security Deposits	-	-
Decrease/Increase in Trade Debtors	-	-
Decrease/Increase in Payroll Clearing Account	(11,952)	4,635
Decrease/Increase in Creditors and Accruals	50,906	177
Increase/Decrease in deferred grant	(150,427)	(51,535)
Increase/Decrease in Taxation Clearing accounts	235	(46,457)
Decrease/Increase in Prepaid Fees	4,189	53,302
Increase/Decrease in Provisions	12,475	34,173
Increase/Decrease in other non-current liabilities	(7,696)	(15,392)
Decrease/Increase in Fixed Assets	(4,573)	(17,001)
Decrease/Increase in Property Improvement	-	-
	<u>(146,720)</u>	<u>(32,394)</u>
Net cash by operating activities	<u><u>33,806</u></u>	<u><u>120,275</u></u>

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

15 FINANCIAL INSTRUMENTS

a). Interest Rate Risk

The company's exposure to interest risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective average interest rates on those financial assets and financial liabilities is as follows:

	Weighted average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing 1 - 5 Years		
	2018 %	2017 %	2018 \$	2017 \$	2018 \$	2017 \$	2017 \$
Financial Assets							
Cash	1.15%	0.00%	186,782	368	-	-	-
Investment	0.00%	0.00%	-	-	-	-	-
Total Financial Assets			186,782	368	-	-	-

b). Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognized financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor.

c). Liquidity Risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average Effective Interest Rate	1 year or less between 1 and 2 years	Remaining contractual maturities
<u>Interest bearing</u>			
Bank overdraft * (facility of \$150,000 overdraft limit available from CBA)			-
Credit card	-20.74%	18,660	18,660
Corporate charge card		-	-
Total financial liabilities		18,660	18,660

SYDNEY COMMUNITY COLLEGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

d). Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardized form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

16 SEGMENT REPORTING

The company operates predominantly one business and geographical segment, being in the community college operation providing training courses to the general public.

17 COMPANY'S DETAIL

The principal place of business of the company is:

Sydney Community College Ltd
2a Gordon Street
Rozelle NSW 2039

END OF FINANCIAL STATEMENTS

SYDNEY COMMUNITY COLLEGE LTD

DIRECTORS' DECLARATION

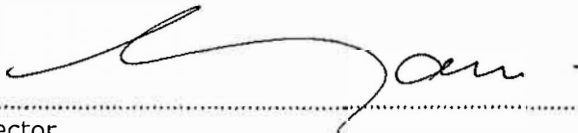
In the directors' opinion:

- The attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the half year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

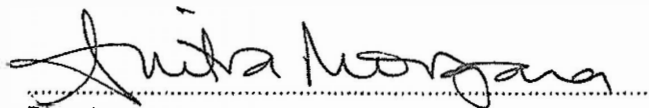
On behalf of the directors

GARRY JOHN TRANNOR



Director

Dated: 19/09 2018



Director

Dated: 19 Sept 2018

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SYDNEY COMMUNITY COLLEGE**

In relation to our audit of the financial report of Sydney Community College Limited for the half year ended 30 June 2018, to the best of my knowledge and belief, there have be no contravention of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional of conduct.

North Shore Accountancy Pty Ltd



Brett Miller

Director

Registered Company Auditor

18 September 2018

Suite 108, 460 Pacific Highway, St Leonards NSW 2065

SYDNEY COMMUNITY COLLEGE LIMITED
ACN 136 500 313
INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SYDNEY COMMUNITY COLLEGE LIMITED, which comprises the Statement of Financial Position as at 30 June 2018, the statement of Profit & Loss and Comprehensive Income, Statement of Cash Flows, and Statement of Changes in Equity and for the half year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of SYDNEY COMMUNITY COLLEGE LIMITED, is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the half year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the half year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. We also:

- Identify and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or condition may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

North Shore Accountancy Pty Ltd
Brett J Miller



Suite 108, 460 Pacific Hwy, St Leonards NSW 2065

Dated: 20 September 2018